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FM AMEMBASSY QUITO
TO RUEHC/SECSTATE WASHDC IMMEDIATE 6229
INFO RUEHBO/AMEMBASSY BOGOTA PRIORITY 6398
RUEHCV/AMEMBASSY CARACAS PRIORITY 2335
RUEHLP/AMEMBASSY LA PAZ FEB 0384
RUEHPE/AMEMBASSY LIMA PRIORITY 1366
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UNCLAS QUITO 000272

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SENSITIVE
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TAGS: [PGOV](#) [PINS](#) [ASEC](#) [EC](#)
SUBJECT: GOVERNMENT AND CONGRESS REACH ACCORD, CALMING
STREET FOR NOW

REF: A. QUITO 247

[1](#)B. QUITO 200

[1](#)1. (SBU) Summary: In a joint press conference on January 31, the President of Congress and Government Minister Gustavo Larrea announced an agreement whereby Congress would debate the government's proposed referendum on a constituent assembly on February 6. Conciliatory statements by Larrea and the congressional reversal of an unpopular appointment diminished tensions between the Correa government and pro-referendum demonstrators on one side, and the Congress on the other. The agreement paves the way for eventual Congressional approval of the referendum, which even members of the anti-assembly opposition concede cannot be stopped, only delayed. Electoral authorities are expected to act next week to restore the political rights of ex-president Lucio Gutierrez, a key referendum supporter. In the wake of street violence earlier in the week, the Correa government has distanced itself (somewhat) from the excesses of the demonstrators, shown some pragmatism in relations with Congress and avoided crossing democratic redlines. End Summary.

Correa Turns Up Heat, Larrea Turns it Down

[1](#)2. (SBU) President Correa had incited his supporters to defend the referendum on whether to hold a national constituent assembly in a nationally-televised address on January 28. Demonstrators from various pro-assembly groups turned out on January 30, breaking through police barriers to interrupt the congressional session (Ref A), causing several minor injuries. President Correa on January 31 lamented the violent excesses but blamed the Congress and the Supreme Electoral Tribunal (TSE) for the confrontation, saying that by delaying approval of his government's referendum the Congress had provoked public reaction. If necessary, he said, he would create a new body to administer the referendum.

[1](#)3. (SBU) At a hastily-organized press conference later that day in the office of Congress president Jorge Cevallos, attended by representatives of most parties represented in Congress, Larrea moderated Correa's tone, declaring the government preferred to seek congressional approval for the referendum if possible. Larrea defended the right to legitimate protest, but admitted that police protection for Congress (which falls under his ministry's control) had been inadequate during the demonstration on January 30, saying the breach would be investigated. He denied any intention by the government to dissolve Congress, and pledged to "guarantee"

its ability to function in the future. Congress president Cevallos agreed to put the issue of the referendum at the top of Congress' agenda for February 6.

¶4. (SBU) Congress resolved another problem during yesterday's session by accepting embattled and discredited attorney general Francisco Cevallos's resignation and pledging to select his replacement from the list presented by the National Judicial Council. Correcting that substantive, legal and political misstep will remove what has been an effective point of criticism against this Congress by pro-Correa forces.

Day After--Streets Calm

¶5. (SBU) After an active day breaking into Congress (Ref A) and the TSE a week earlier (Ref B), pro-assembly demonstrators called for an evening rally on January 30 in the same north Quito park where middle class anti-government protesters had rallied against then-president Lucio Gutierrez. The rally fizzled, attracting only 30-40. Assembly opponents have accused the Correa government of organizing and paying for the more numerous pro-assembly demonstrations, and deliberately permitting the demonstrators to enter the Congress building. On January 30, the number of demonstrators declined to only 300, who marched to the presidential palace on January 31 to show support for the assembly referendum. No demonstrations were expected on February 1.

Comment

¶6. (SBU) The accord between Cevallos and Larrea has already calmed the situation in the streets stirred up by the government to pressure Congress to approve the referendum. Backing down from its threat to proceed without congressional approval, the government, thanks to Gutierrez, currently has the votes in Congress to bring the referendum within constitutional bounds. Assembly opponents in the PSC and PRIAN confide that with Correa high in the polls at the outset of his presidency, and the Congress largely discredited in public opinion, they hope not to block the referendum and subsequent assembly, but only to delay it. Some are also thinking ahead to try to gain an adequate number of seats on the assembly to block constitutional changes they fear will be for the worse.

¶7. (SBU) Separate from but linked to congressional approval of the referendum is the issue of restoration of Lucio Gutierrez' right to run for office (currently blocked for two years by a TSE ruling which kept him out of the 2006 presidential race). A majority in the TSE is expected to reinstate those rights, permitting Gutierrez to run for the assembly himself (he hopes to seek the presidency of the assembly if he wins). The show of "popular support" in the streets on January 30 is viewed by some here as Correa's attempt to maintain his political purity by changing public perceptions of his government's modus vivendi with Gutierrez, creating the impression that Congress will approve the referendum not because of a political deal with the devil, but instead in response to popular will "expressed in the streets."

¶8. (SBU) Recent events have demonstrated Correa's willingness to take a hard public line against Congress, while permitting his minister to avert conflict (at the last minute or after some violence, as in this instance) by making conciliatory gestures. That strategy is proving effective at this early stage of his presidency, but could cost him popular support over the longer term. For its part, the opposition appears eager to provoke Correa's impulsive ire, seeking to speed his inevitable descent in the polls. We are staying away from this baiting game, and maintaining our focus on democratic redlines (keeping the assembly referendum within constitutional bounds, not dissolving Congress) which Correa has not yet crossed.

